

GARY LOCKE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 □ Olympia, Washington 98504-0002 □ (360) 753-6780 □ TTY/TDD (360) 753-6466

Media contact:

Kirsten Kendrick, Governor's Communications Office, 360-902-4136;

www.governor.wa.gov

Gov. Gary Locke Signs Key Economic Development Legislation into Law

FERNDALE – March 19, 2004 – Gov. Gary Locke today signed key economic development legislation into law, including a bill he requested to spur economic development in rural areas. The bill signing took place at the Alcoa Intalco Works plant in Ferndale.

The governor signed the following legislation into law:

- Substitute Senate Bill 6240 –Relating to the modification of tax incentive provisions for rural counties;
- 2SSB 6304 – Relating to tax relief for aluminum smelters; and
- Substitute House Bill 2366 – Relating to the “From the Heart of Washington” campaign to promote Washington state agriculture.

“This is a great day for economic development,” Locke said. “The legislation we’re signing will help our rural counties create more economic development opportunities; help our state’s aluminum plants hit hard by skyrocketing electrical costs; and help continue a very successful program that promotes Washington agricultural products.”

Joining Locke at the bill signing today were: Sen. Tim Sheldon, D-Potlatch; Rep. Kelli Linville, D-Bellingham; Sen. Dale Brandland, R-Bellingham; Mark Blondin, president of the International Association of Machinists and Aerospace Workers District 751 (IAM 751); Don Hursey, with IAM 160; and Bill Brookerson, Deputy Director of the Washington State Department of Agriculture (WSDA).

Rural Tax Incentives

SSB 6240, which Locke requested, will extend the sales tax exemption on construction of manufacturing and research facilities in rural areas as well as the B&O tax jobs credit to 2010. The legislation will also continue the B&O tax credit for help-desk enterprises in rural areas.

“We know these tax incentives work, and will continue to work, for our state’s rural counties and the businesses that locate or expand there – it’s a win-win,” Locke said. “These incentives are needed to attract new companies to rural areas, allow existing companies to expand, and provide young people in rural areas a chance for a rewarding job close to home.”

Sheldon sponsored the legislation on the governor's behalf. "Forty-four percent of all jobs in Washington state are in King County," he said. "Rural tax incentives give rural areas the ability to compete for good jobs."

Aluminum Smelter Tax Relief

2SSB 6304 will reduce the B&O tax rate for aluminum smelters for manufacturing and for wholesaling aluminum through 2006.

"This is badly needed legislation," Locke said. "The increased price of electricity has forced many aluminum smelters to shut down. Employment in the aluminum industry is down by more than 50 percent since 1998. This legislation will help put us back on the right track."

Brandland sponsored the legislation. "This bill is about jobs, plain and simple. Too many people in the aluminum industry lost their jobs last year. And now, thanks to a truly bi-partisan effort, we have the opportunity to stem the flow of pink slips and bring a sense of security to those who have been on the brink."

Blondin said, "When business, workers and legislators all work together, it is good for the state of Washington, good for the workers and good for business. This is a great example of how everyone can win. This bill preserves good-paying union jobs with union benefits – the types of jobs needed to revive the economy in the state of Washington. This country needs an industrial policy that provides incentives to companies like Alcoa in exchange for creating family-wage jobs in America."

"From the Heart of Washington" Campaign

Substitute House Bill 2366 authorizes the WSDA to create a non-profit corporation to carry forward the work of the "From the Heart of Washington" campaign, which is currently in its third year of funding from a one-time federal grant. The program has developed a promising approach to marketing Washington's agricultural products and building consumer support.

Locke and WSDA Director Valoria Loveland launched the "From the Heart of Washington" campaign nearly two years ago. The goal was to increase demand for Washington agricultural products in the state and present an accurate picture of the value of agriculture as part of the state's economy and its key role in sustaining rural communities.

The campaign has produced numerous TV, radio and print articles, and advertisements promoting Washington agriculture have generated hundreds of press articles statewide. We have also worked with local retailers to include more labeled Washington product in stores and with restaurants to feature more local products on menus.

"This legislation will take the 'From the Heart of Washington' campaign to the next level of success," Locke said.

Linville sponsored the legislation. "Our agricultural products are some of the best in the world, and the 'From the Heart of Washington' campaign has done a great job of getting that message out," she said. "I'm very pleased that we can continue the work of selling and marketing our

diverse crops and products – from cheese to raspberries to wheat – through this valuable program.”

Loveland said, “This legislation will help to continue a popular program by the state and the Department of Agriculture to help promote locally grown and processed products. I would like to thank the Legislature, and the Governor, for their commitment to the ‘From the Heart of Washington’ program. It has been a terrific way to bring together Washington’s farmers, producers and food processors with consumers.”

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